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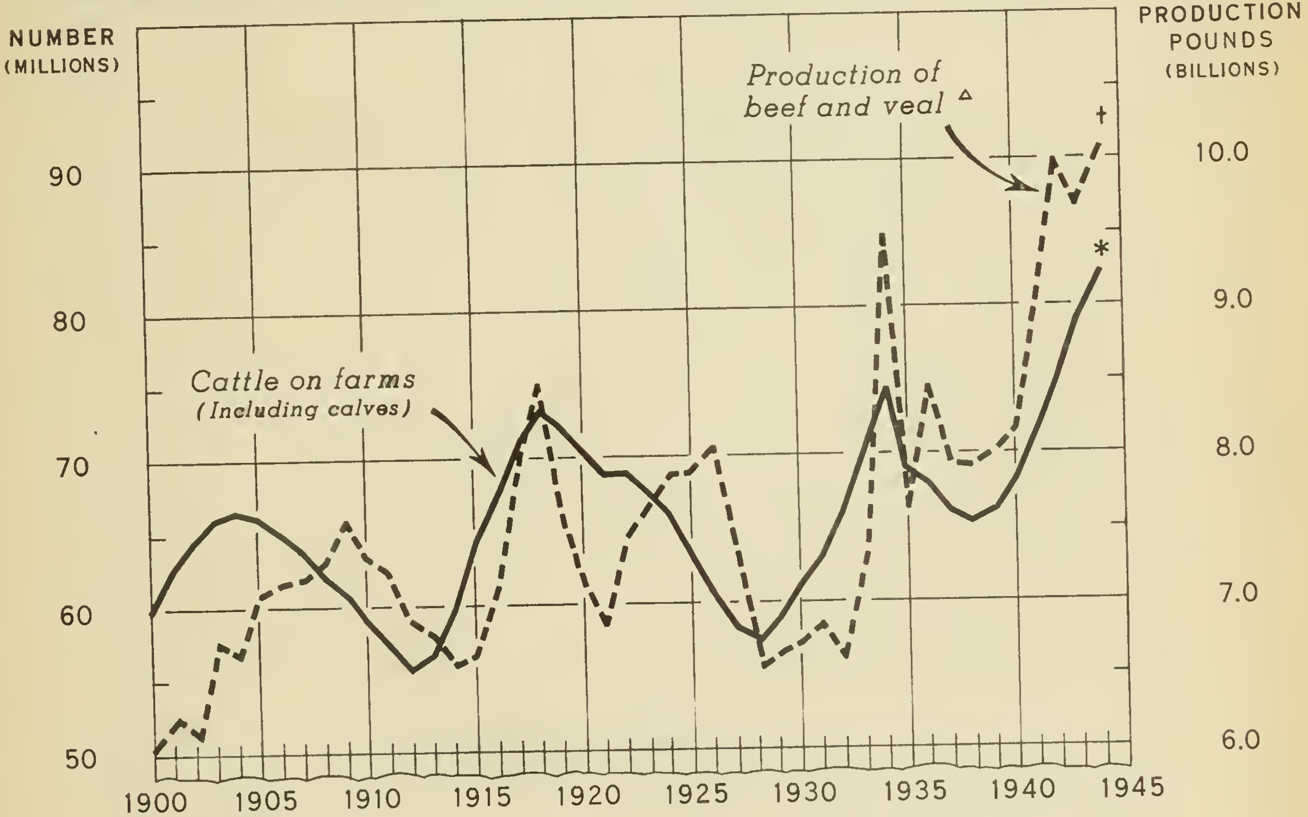
THE Livestock and Wool SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE
LWS - 26
BAE
JUNE 1944

ESTIMATED NUMBER OF CATTLE ON FARMS JANUARY 1, AND ESTIMATED TOTAL PRODUCTION OF BEEF AND VEAL, UNITED STATES, 1900-1944



△ *DRESSED WEIGHT OF CATTLE AND CALVES SLAUGHTERED INCLUDING 1,354,000,000 LBS. IN 1934 AND 62,000,000 LBS. IN 1935 FROM ANIMALS PURCHASED BY GOVERNMENT*

* *PRELIMINARY* + *FORECAST*

U. S. DEPARTMENT OF AGRICULTURE NEG. 32587 BUREAU OF AGRICULTURAL ECONOMICS

Production of beef and veal has greatly increased since 1938, when a low point was reached in the present cattle cycle. Even some reduction in cattle numbers would permit a continued large production of beef and veal. Production is now much larger than either of the previous high points in 1918 and 1934. A large slaughter of cattle and calves in 1934 was brought about by drought, while the last war stimulated a large production in 1918.

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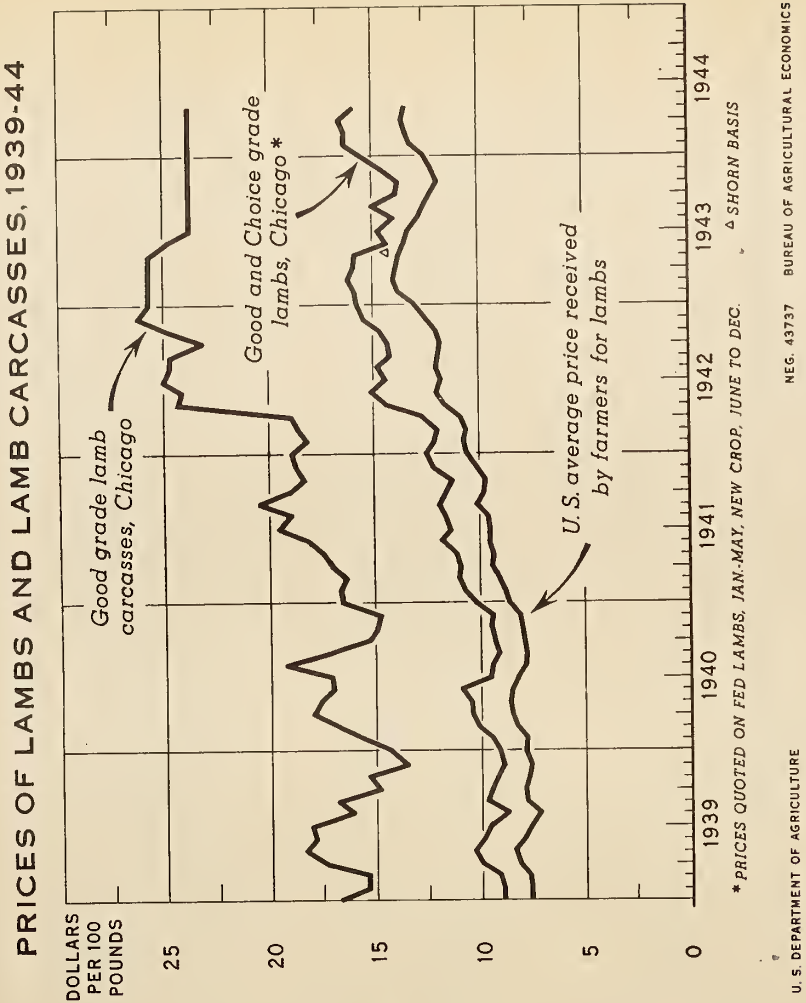

FIGURE 1.

In April prices for Good and Choice slaughter lambs at Chicago rose to the highest level since April 1929. Lamb prices were comparatively low during the last part of 1943 mainly because of large marketings and a limited demand for feeder lambs. The reduction in lamb feeding the past winter and the small movement of early spring lambs to eastern and mid-western markets this spring have resulted in a small supply of slaughter lambs at these markets in relation to demand. Wholesale prices for good lamb carcasses have been at ceilings since early 1943. There was a reduction in the ceiling price in June 1943.

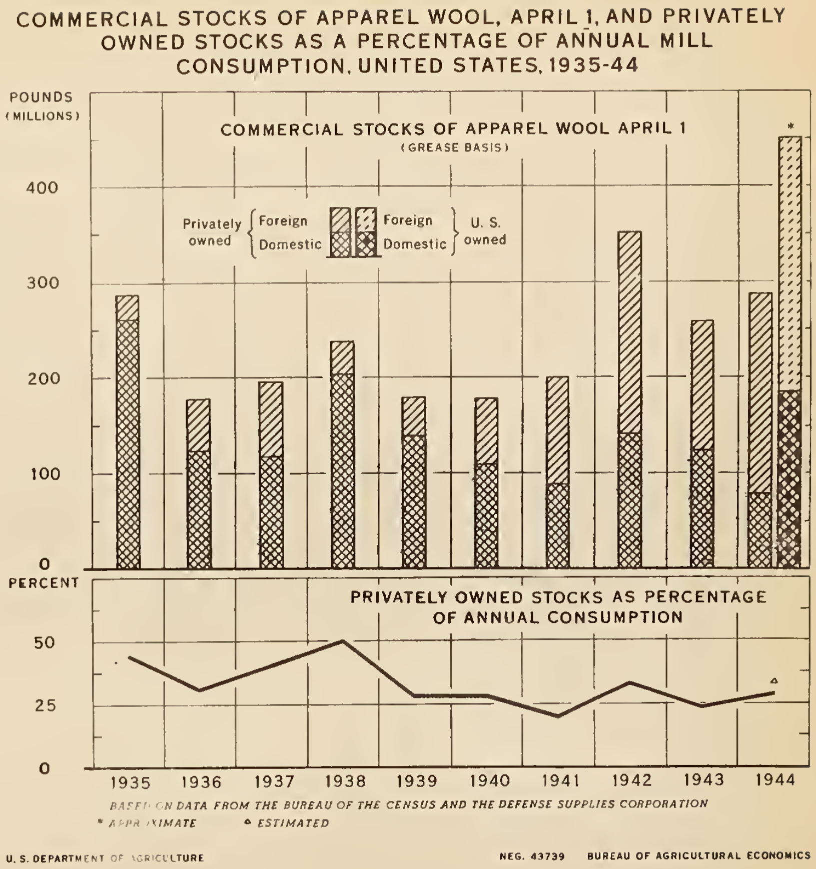

FIGURE 2.

Privately owned stocks of domestic and foreign apparel wool held by dealers and manufacturers on April 1, 1944 totaled 287 million pounds (grease basis) compared with 258 million pounds 12 months earlier. In relation to annual wool consumption the privately owned April 1, 1944 stocks were about equal to the average for the war years (1940-44) and were smaller than the April 1 prewar average (1935-39).

In addition to the privately owned stocks approximately 450 million pounds of United States owned domestic and foreign wool were held by the Commodity Credit Corporation and the Defense Supplies Corporation. The U. S. owned foreign wool is not available for unlimited purchase but is being offered in limited quantities at semi-monthly auction sales at Boston. Stocks held by the DSC in 1942 and 1943 were not available for commercial use and are not shown for those years.

LIVESTOCK AND WOOL SITUATION

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Summary

Prices received by farmers for meat animals probably will remain at a comparatively high level through the last half of 1944 and will continue high throughout the first part of 1945. However, prices for hogs, now under price ceilings, and for cattle, may not equal prices received in the last half of 1943. Marketings of cattle during the last half of 1944 are likely to be larger than a year earlier. Smaller marketings of sheep and lambs, and of hogs after September are in prospect. Demand for meat by civilians, the armed forces, and for lend-lease probably will continue strong.

Farmers saved 55.9 million pigs in the spring of 1944. This was a 24 percent reduction from the all-time record 1943 spring crop of 73.9 million head, but was only 8 percent less than the 1942 crop, which was of near record size.

The 1944 fall pig crop will also be sharply reduced from the record fall pig crop of 1943 of 47.8 million head. Farmers' breeding intentions on June 1 indicated that 5.0 million sows would farrow in the fall compared with actual farrowings last fall of 7.6 million. If these breeding intentions are borne out and an average number of pigs is saved per litter, a fall crop of 32.0 million is indicated, 33 percent less than the record 1943 fall crop.

Reductions in the 1944 pig crops are being brought about largely by less favorable hog-feed price relationships last winter and spring than have existed since late 1940, reduced supplies of grain in relation to the number of grain-consuming animals on farms, and reduced support prices announced for hogs beginning October 1, 1944.

Cattle and calf slaughter in the first 5 months of 1944 was much larger than in the first part of 1943. However, slaughter was about normal in relation to total numbers on farms. If present slaughter trends continue, total cattle numbers at the end of this year would not be materially changed from the record numbers on hand at the first of the year.

Late lamb prospects were reported as only fair to good on June 1 in the principal late lamb-producing States. The number of breeding ewes in these States is reduced from last year, and the late crop will be smaller this year than last. Death losses of both ewes and lambs this spring were generally above average. A smaller early spring lamb crop and a smaller late spring crop in the Western Range States will tend to keep lamb prices at a higher level during the last 6 months of 1944 than in the same period of 1943.

With practically all domestic wools now being purchased by the Commodity Credit Corporation and resold to mills at ceiling prices, there is little opportunity for changes in market or farm prices of such wool. Prices of imported wools at present are determined to a large extent by the selling prices of the British Government and by the Defense Supplies Corporation which is basing its upset or minimum prices on current British issue prices plus the cost of freight and handling. The policies of the United States and British Governments with respect to wool probably will continue to be the dominant factor in the price situation for at least the next few months, especially if the war continues and ocean shipping from South America remains scarce.

Consumption of apparel wool in the first 4 months of 1944 was at an annual rate of 610 million pounds on a scoured basis, only 2 percent smaller than in the corresponding period of 1943 and larger than the 592 million total for the entire year 1943. Military requirements, which declined almost steadily in 1943, leveled off during the first 4 months of 1944. If military requirements continue at or above the January-April level through the remainder of the year, as now appears likely assuming the war continues, prospects appear favorable for maintaining the current high rate of mill consumption during the second half of 1944.

Privately owned stocks of domestic and foreign apparel wool held by dealers and manufacturers on April 1, 1944, totaled 287 million pounds (grease basis) compared with 258 million pounds 12 months earlier. Privately owned stocks expressed as a percentage of annual mill consumption were about equal on April 1, 1944, to the average percentage for the war years 1940-43, and were smaller relatively than the April 1 pre-war average (1935-39). In addition to the privately held stocks about 450 million pounds of United States owned domestic and foreign wool were held by the CCC and the DSC on April 1.

-- June 23, 1944

OUTLOOK

Livestock Prices Probably Will Continue at a High Level Throughout the Last Half of 1944

Prices received by farmers for meat animals probably will be at a high level throughout the last half of this year and the first part of 1945. However, prices for all meat animals may not be as high as they were in the last half of 1943. Larger slaughter of cattle and calves is in prospect for the remainder of this year than last. But slaughter of sheep and lambs, and hogs, after September, probably will be smaller.

Cattle prices in the first part of June were at the highest levels of the year and were the highest since April 1943. For many months prior to the freeing of most beef from ration points on May 4, the top price at Chicago almost every week was $17.00. On May 17 buyers paid over $17.00 for top cattle for the first time, since July, and paid as high as $17.60 for Choice loads of steers in early June.

Cattle prices may average lower in the last half of the year than in the first half and may be lower than a year earlier. There usually is a seasonal decline in cattle prices except for fed cattle grading Good or better, as marketings increase in the summer and fall. Also the average price paid for all cattle is likely to be lower because of an increased proportion of lower-grade, grass-fed cattle in total marketings.

With the extremely strong demand for well-finished slaughter cattle grading Good or better and the small prospective supplies of these better grade cattle in relation to demand, prices for such cattle probably will be maintained at a high level throughout the remainder of the year. There are fewer cattle on grain feed than last year. However, the large number of cattle in Kansas and Oklahoma pastures and large numbers in eastern farming areas not on grain feed will supply many slaughter cattle grading Medium and Good. Pastures in these areas are generally in good to excellent condition.

Several factors will tend to limit a general rise in hog prices this summer even though a seasonal low is expected in hog marketings in August and September and prices for butcher hogs during the late summer and early fall are usually at a seasonal high. Ceiling prices on live hogs will prevent prices from reaching as high a level as they did in the late summer and early fall last year. Large numbers of 1943 fall crop pigs as well as sows, which produced spring pigs, are yet to be marketed, and stocks of pork and lard in storage are now exceptionally large. However, marketings of butcher hogs beginning October will be considerably smaller this year than last, and this reduction will be a strong price supporting factor at that time.

During the last half of this year, smaller prospective supplies of lambs for slaughter will tend to keep lamb prices at a higher level than a year earlier. The late lamb crop probably will total less than last year. There are fewer lambs from early lamb-producing States available for slaughter at the present time. Since late January, prices of fed lambs at Chicago have averaged higher in most weeks than in corresponding weeks in 1943.

Spring Pig Crop Reduced 24 Percent from Record 1943 Crop

This year marks the turning point of the cycle of increasing hog production, which began with the fall pig crop of 1941. From early 1941 until the winter of 1943-44, hog-corn price ratios were favorable to hog producers, large crops of feed grains were harvested each year, and carry-over of grain each year was large. In April 1941 the first support prices for hogs were announced. Since that time hog prices have been supported at comparatively high levels. The combined spring and fall pig crop in 1941 was 84.7 million, in 1942 it was 104.6 million, and in 1943 an all-time high of 121.7 million head was reached. Rising feed prices in late 1943 and early 1944, combined with some reduction in hog prices caused the hog-corn price ratios to decline.

Throughout the winter and early spring of 1943-44 feed supplies became increasingly scarce, and reserves of feed grains were largely used up. It was early evident that pig crops would be reduced in 1944.

According to the June pig survey, the 1944 spring pig crop (December 1, 1943 to June 1, 1944) totaled 55.9 million head, 24 percent smaller than the 1943 spring pig crop but was only 8 percent smaller than the 1942 spring pig crop. Fewer pigs were saved this spring than last in all geographical regions and in most States. The largest relative decreases were in the Western, the South Central, and the West North Central States.

The number of pigs saved per litter of the spring crop was 6.0. This is about equal to an average number of pigs saved in both 1933-42 and in 1943 of 6.1. In the North Central Region, which includes the Corn Belt, the number of pigs saved per litter was 6.1 compared with 6.2 in the spring of 1943 and a 10-year (1933-42) average of 6.2.

Table 1.- Spring pig crop, by regions, number of sows farrowed, and average number of pigs saved per litter, United States, average 1933-42, annual 1941-44

Region and item	Average 1933-42	1941	1942	1943	1944 1/	1944 as a percentage of 1943	1944 as a percentage of Average 1933-42
	Thous.	Thous.	Thous.	Thous.	Thous.	Pct.	Pct.
East North Central	12,472	14,007	16,378	18,252	15,399	84	123
West North Central	21,977	23,688	29,555	36,815	26,127	71	119
Total North Central	34,449	37,695	45,933	55,067	41,526	75	121
North Atlantic	800	753	908	1,225	1,173	96	147
South Atlantic	3,160	3,077	3,741	4,555	4,202	92	133
South Central	6,015	5,692	7,775	9,879	7,016	71	117
West	1,800	2,017	2,545	3,185	2,008	63	112
Total other regions	11,775	11,539	14,969	18,844	14,399	76	122
United States, total	46,224	49,234	60,902	73,911	55,925	76	121
Total number of sows farrowed	7,569	7,736	9,650	12,116	9,269	77	122
	Number	Number	Number	Number	Number		
Average number of pigs saved per litter	6.1	6.4	6.3	6.1	6.0		

1/ Preliminary.

Fall Pig Crop Indicated to be 1/3 Smaller than the Record 1943 Fall Crop

Indications point to a sharp reduction in the size of the 1944 fall pig crop from that of the record 1943 fall crop. If farmers' breeding intentions on June 1 are carried out, a total of 5.0 million sows will farrow in the fall of 1944 (June 1 to December 1). Intended farrowings of 5.0 million sows are 34 percent smaller than the actual farrowings in the fall of 1943 of 7.6 million head, and 27 percent less than the number of sows that farrowed in the fall of 1942.

Reductions in fall farrowings are indicated in all regions and in all States with the greatest percentage reductions in the Western, and the West North Central States.

Table 2.- Number of sows farrowing in fall, by regions, total fall pig crop and average number of pigs saved per litter, United States, average 1933-42, annual 1941-44

Region and item	Average 1933-42	1941	1942	1943	1944 1/	1944 as percentage of	
						1943	average 1933-42
	Thous.	Thous.	Thous.	Thous.	Thous.	Pct.	Pct.
Number of sows farrowing							
East North Central	1,402	1,706	1,994	2,247	1,572	70	112
West North Central	1,519	1,912	2,405	2,508	1,544	62	102
Total North Central	2,921	3,618	4,399	4,755	3,116	66	107
North Atlantic	122	120	153	212	139	65	114
South Atlantic	476	501	614	757	590	78	124
South Central	918	995	1,284	1,458	955	66	104
West	237	284	364	412	190	46	80
Total other regions	1,753	1,900	2,415	2,839	1,874	66	107
United States total	4,674	5,518	6,814	7,594	4,990	66	107
Total fall pig crop	29,106	35,493	43,657	47,785	2/32,000	67	110
	Number	Number	Number	Number			
Average number of pigs saved per litter	6.2	6.4	6.4	6.3			

1/ Indicated fall farrowings from June pig crop survey.
2/ Based upon breeding intentions and an average number of pigs saved per litter.

If farmers' plans for fall farrowings are not changed from the June 1 intentions and the number of pigs saved in the fall of this year is average, this would result in a fall pig crop of 32.0 million head, 33 percent less than the record crop of 47.8 million in the fall of 1943 and 27 percent less than the 1942 fall crop of 43.7 million.

Increased Feed Costs Have Decreased Cattle-Feeders' Margins During the 1943-44 Feeding Season from the Previous 3 Years

Increased costs of corn, hay, and protein supplement have materially decreased cattle feeder's returns this past winter and spring from those of the previous 3 years. Selected costs of feeding Corn Belt steers and the margin between the market value of a 1,050-pound Good grade slaughter steer at Chicago and these selected cost items are shown in table 3, which replaces table 1 of the March 1944 issue of this report. This comparison is not intended to measure total cost, net cost, or profit, but merely to show the trend in feeding margins over a period of years on the basis of changes in market prices of selected items.

On the basis of this average ration, the sum of the feed costs shown during the 1943-44 season was $65.24 compared with $50.16 for the 1942-43 season and $43.55 for the season 1941-42. The average price paid for feeder steers at Kansas City in September-November 1943 was about 65 cents less than during the same period in 1942. During March-May 1944 Good grade Corn Belt steers sold for an average price 40 cents under that of a year ago.

Table 3.- Selected prices and costs in the feeding of steers in the Corn Belt, 1940-44

Item	Season 1940-41	Season 1941-42	Season 1942-43	Season 1943-44
	Dollars	Dollars	Dollars	Dollars
	Price per unit			
Good grade beef steers sold out of first hands, Chicago, average price per 100 pounds, March-May	10.91	13.50	15.81	15.43
Feeder steers, Kansas City, average price per 100 pounds, September-November	8.58	9.62	12.03	11.38
Corn, North Central States, average price per bushel received by farmers, September-April	.548	.688	.814	1.029
Alfalfa hay, loose, North Central States, average price per ton received by farmers, September-April	8.23	10.57	11.01	16.39
Cottonseed meal, United States, average price per 100 pounds paid by farmers, September-April	1.79	2.45	2.40	3.00
	Total value			
Market value at Chicago of Good grade beef steers, market weight, 1,050 pounds	114.56	141.75	166.00	162.02
Market cost at Kansas City of 700-pound feeder steers	60.06	67.34	84.21	79.66
Cost of transportation from producer to feeder	3.50	3.50	3.50	3.50
Cost of 50 bushels of corn	27.40	34.40	40.70	51.45
Cost of 0.75 ton of alfalfa hay, loose	6.17	7.93	8.26	12.29
Cost of 50 pounds of cottonseed meal	.90	1.22	1.20	1.50
Transportation from farm to market and marketing expense	3.60	3.60	3.60	3.60
Total of cost items shown 1/	101.63	117.99	141.47	152.00
Margin of market value of steer over total of cost items shown 1/	12.93	23.76	24.53	10.02

1/ Does not include labor and overhead costs, death losses, cost of other feed ingredients, or credits for manure or for hogs following steers. The feed ration and prices shown for selected items are designed to be fairly representative, but probably do not coincide with the experience of individual feeders.

Cattle and Calf Slaughter Normal in Relation to Numbers on Farms; Indicates Tendency to Maintain Numbers at a High Level

While total slaughter of cattle and calves, by slaughterers of all types, in the first 5 months of 1944 was much larger than in the corresponding period last year, it was about normal in relation to the record numbers of cattle which are now on farms.

Excluding slaughter in war-duration plants, the number of cattle and calves slaughtered under Federal inspection in January-May was 23 percent larger than in 1943, but was 2 percent less than in 1942. Cattle slaughter for comparable slaughtering plants during the same period was 15 percent larger than in 1943 but 5 percent less than in 1942. On the same basis, calf slaughter exceeded that in 1943 by 42 percent and slaughter in 1942 by 3 percent.

If slaughter during the last part of the year is in a normal relationship to slaughter during the first half of the year, total cattle and calf slaughter will be near 31.5 million head in 1944. A slaughter of this size would probably result in no material change in numbers of cattle at the end of the year from that of January 1, depending upon the size of the calf crop, imports and exports of cattle and calves, and death losses during the year. (Table 4).

The 1944 Livestock Goals Committee recommended a reduction in cattle numbers from the January 1, 1944, estimate of 82.2 million head. A reduction in livestock population is deemed necessary to adjust livestock numbers to the supply of feed which will be available.

Table 4.- Cattle and calves, number on farms, calf crop, and slaughter, 1940-44

Item	1940	1941	1942	1943	1944 1/
	Mil. head	Mil. head	Mil. head	Mil. head	Mil. head
Cattle and calves on farms					
January 1:					
Dairy cows and heifers over 2 years old	24.9	25.5	26.4	27.1	27.6
Other dairy cattle and calves	11.5	11.9	12.4	12.9	13.3
Total dairy cattle	36.4	37.4	38.8	40.0	40.9
Cows kept for beef	10.6	11.2	12.1	12.9	13.7
Other cattle and calves	21.2	22.9	24.3	26.2	27.6
Total number	68.2	71.5	75.2	79.1	82.2
Calf crop	29.8	31.1	32.9	33.1	2/34.0
Slaughter:					
Cattle	15.0	16.4	18.0	17.7	2/20.0
Calves	9.1	9.3	9.7	9.9	2/11.5
Total slaughter	24.1	25.7	27.7	27.6	2/31.5
Number on farms end of year	71.5	75.2	79.1	1/82.2	2/82.0

1/ January 1 numbers preliminary.
2/ Forecast based upon an average calf crop, slaughter trends the first 5 months of the year, and average death losses.

Late Lamb Crop Reported only Fair to Good; Breeding Ewe Numbers Reduced from Last Year

In the principal late lamb-producing States, lamb crop prospects on June 1 were only fair to good. However, the number of breeding ewes on January 1 in the 8 leading lamb States 1/ was 7 percent smaller than on January 1, 1943 so the total lamb crop in these States will be smaller than last year. Death losses of both ewes and lambs this spring were generally above average. Sheep wintered in below average condition but are now generally making good gains and are overcoming the setbacks of adverse weather during the later winter and early spring.

The reported condition of range feed in the 17 Western States on June 1 was 85 percent compared with 77 percent a month earlier and was about equal to the average condition for 1923-42. The marked improvement in range conditions from May 1 to June 1 resulted from above average rainfall during April, May, and early June.

The number of lambs saved from 100 ewes in the 13 Western Range States last year was 77, the smallest percentage since 1937. The 1933-42 average was 78. The low percentage of lambs saved was caused largely by factors other than adverse feed and weather, the most important of which was lack of sufficient experienced labor for handling sheep during lambing time. This will be a factor which may again cause a below average number of lambs to be saved per 100 ewes this spring.

In the principal early lamb-producing States the number of lambs saved was 6 percent less than last year. It was the smallest early lamb crop in at least 8 years. Although the number of lambs saved per 100 ewes was larger than last year, this was more than offset by fewer breeding ewes.

RECENT DEVELOPMENTS

Hog Slaughter Sets May Record; Marketings Large in June; Mid-June Prices Lower Than Those in Mid-May

May hog slaughter was much larger than in any previous year. Federally inspected hog slaughter totaled 6.6 million head, was 6 percent larger than April slaughter and exceeded the previous record May slaughter in 1943 by more than a million head. Slaughter under Federal inspection for the first 5 months of this year was 35.3 million head, or 46 percent larger than in the corresponding period last year. On the basis of comparable plants the gain was 44 percent.

Hog marketings continued large in early June, resulting in large daily carry-overs of unsold hogs on many days at all principal markets. In late May and early June, the St. Louis National Stockyards placed embargoes three

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1/ Montana, Idaho, Wyoming, Colorado, Utah, California, South Dakota, and Texas.

different times on the shipment of hogs to that yard until unsold hogs could be disposed of. Embargoes were placed in effect on two occasions at Indianapolis and then that market began issuing permits for farmers to market hogs. Interior Iowa and Southern Minnesota plants continued booking hogs for delivery to their plants as they were required. Hog numbers exceeded demand at support prices; carry-overs were largely butcher hogs of the support weights (180-270 pounds). Buyers sorted hogs closely, and those not grading Good to Choice or those lighter or heavier than support weights sold for prices much less than support prices.

The average cost of all packer and shipper purchases of barrows and gilts at Chicago for the week ended June 17 was $13.04 compared with $13.13 for the week ended May 20 and $13.95 for the corresponding week in 1943. The average cost of all sows for the week ended June 17 was $10.65 compared with $10.74 for the week ended May 20 and $13.52 for the week ended June 19, 1943.

Hog-Corn Price Ratio Below the 20-Year Average

Hog-corn price ratios each month in 1944 have been below the 1923-42 average of 11.8 for the United States and have been below the ratios in 1943 and the very favorable ratios in 1942 and 1941. Egg-feed price ratios are also below average, while milk-feed and butterfat-feed price ratios are above average, if an allowance is made for dairy production payments. More favorable ratios for dairy products than for hogs will tend to limit hog production especially in deficit feed-producing areas.

Table 5.- Hog-corn price ratios, farm basis, by months, United States and North Central States, average 1923-42, annual 1943 and 1944

Month	United States			North Central States		
	Average 1923-42	1943	1944	Average 1923-42	1943	1944
Jan.	11.9	16.0	11.3	12.8	16.9	12.3
Feb.	12.2	16.2	11.4	13.4	17.3	12.5
Mar.	12.5	15.5	11.5	14.0	16.5	12.7
Apr.	11.9	14.3	11.3	13.2	15.3	12.4
May	11.2	13.4	11.0	13.3	14.3	12.1
June	10.9	12.8		12.0	13.7	
July	11.3	12.2		12.2	13.1	
Aug.	11.3	12.6		12.1	13.7	
Sept.	11.7	12.9		12.6	14.1	
Oct.	12.5	13.1		13.8	14.1	
Nov.	12.6	12.3		13.7	13.2	
Dec.	11.9	11.5		12.9	13.4	
Av.	11.8	13.6		12.9	14.6	

Cattle Slaughter Increased Seasonally in May; Cattle Prices Rise in Late May and Early June

Cattle slaughter increased seasonally in May. Federally inspected slaughter totaled 989,000 head, 5 percent larger than in April and 28 percent larger than in May 1943. Slaughter of calves under Federal inspection in May totaled 541,000 head, a decrease of 2 percent from April, but an increase of 65 percent over May 1943. Inspected slaughter of both cattle and calves in May 1943 was small in relation to the number of cattle on farms because of the uncertainties as to cattle prices immediately after the meat-rationing program was placed in operation. Also there was considerable diversion of cattle and calves, especially the latter, from inspected to noninspected slaughter during that period.

Prices for Choice and Prime, Good, and Medium steers continued an upward trend from the beginning of 1944 until in mid-June they were at the highest levels of the year and were almost as high as peak prices in mid-April 1943. Prices of Good grade slaughter steers at Chicago averaged $16.26 in the week ended June 17 compared with $15.80 a month earlier and $15.19 a year earlier. Prices for Good grade cows were only slightly higher in mid-June than in mid-May. Feeder steers have shown a weakened price trend since mid-March, when they were at the highest levels of the year, and are now much lower than at this time last year. The average price of all stocker and feeder steers sold at Kansas City during the week ended June 16 was $11.76 compared with $12.95 for the week ended May 19 and $14.34 for the corresponding week of 1943.

Sheep and Lamb Slaughter Increased Seasonally; Spring Lamb Prices Higher Than Last Year

May slaughter of sheep and lambs was greatly increased from that of April, reflecting increased marketings of spring lambs and a large movement of yearlings and spring lambs to market from Texas. Texas marketings of sheep and lambs in May were the highest on record for the month. May federally inspected slaughter totaled 1.7 million head, a 23 percent increase from that of April and 4 percent larger than in May 1943.

Prices for ewes at Chicago declined seasonally in late May and early June. Prices for both wooled and shorn lambs also declined, reflecting increased marketings of spring lambs and the poorer quality of fed lambs because of the cleaning up of the old crop lambs from feedlots. Good and Choice spring lambs at Kansas City averaged $15.36 for the week ended June 17 compared with $15.25 for the week ended May 20 and $14.66 for the corresponding week last year.

Cold-Storage Stocks Seasonally Reduced in May; Cold-Storage Space in Meat Packing Plants Well Filled

Total stocks of meat and edible offal in commercial warehouses and meat-packing plants on June 1 were 1,164 million pounds, 44 million pounds less than May 1 stocks, but 405 million pounds larger than average stocks on June 1 for the past 5 years. This amount included 51 million pounds of cured pork owned by the War Food Administration.

Pork stocks on June 1 were 771 million pounds, 14 million pounds less than on May 1, but 173 million pounds larger than average stocks on June 1 for the past 5 years. Pork stocks are at a very high level, but it is normal for stocks to be at the highest levels of the year from March 1 to July 1. There usually is a rather large out-of-storage movement during July-October. Cold-storage holdings of pork tend to increase rather rapidly from November through February.

Excluding WFA-owned lard and rendered pork fat from commercial holdings, lard and rendered pork stocks in meat-packing plants and commercial cold storage warehouses on June 1 were 132 million pounds, a reduction of about 4 million pounds from May 1 stocks. Lard stocks usually increase in May, and as lard production was very large in that month, this reduction in cold storage stocks reflects the removal of restriction on the use of lard and rendered pork fat by soap makers and manufacturers of edible products, and possibly increased holdings outside of cold storage. Government stocks of lard and rendered pork fat in commercial cold storage on June 1 were 358 million pounds, while stocks on May 1 were 363 million pounds.

Both freezer and cooler space in meat-packing plants was more nearly filled on June 1 than on May 1. Cooler space was 96 percent occupied on June 1 compared with 95 percent on May 1. Freezer space was filled to 89 percent of capacity on June 1 compared to 87 percent on May 1.

Pork and Lard Purchases by WFA Increased in May

Purchases of meat by the War Food Administration in May were small in comparison with purchases last winter. Contracts let for pork in May were 147 million pounds on a dressed weight basis, compared with 89 million pounds in April and 185 million pounds in March. Average monthly purchases in 1943 were 180 million pounds.

Lard and rendered prok fat purchases in May totaled 143 million pounds compared with 58 million pounds in April and 116 million pounds in March. Average monthly purchases in 1943 were 74 million pounds.

In early June, WFA announced that larger purchases of canned meats will be made. Items which will be purchased in larger quantities are Tushonka, pork luncheon meat, and bulk pork sausage. Moderate quantities of canned sliced bacon, canned pork tongues, and dehydrated pork will also be purchased. Quantities accepted will be on the basis of competitive bids and not at ceiling prices, the policy generally followed in recent purchases. Canned meat purchases in most recent months have ranged from 40 to 50 million pounds. However, purchases of canned meats in April were less than 6 million pounds, but May purchases totaled 50 million pounds.

Restrictions on Farm Slaughter Removed

All restrictions on the slaughter of livestock and delivery of meat by farmers were removed by the War Food Administration on May 25, 1944, by Amendment 15 to WFO 75. From April to November 17, 1943, farmers were required to have permits to slaughter livestock and deliver meat to persons not living on their farms. On November 17 restrictions on the slaughter of hogs and delivery of pork were suspended for 3 months. Later this period was extended another month, and then it was extended indefinitely. Amendment 15 removes restrictions from the farm slaughter of all species of livestock.

THE WOOL SITUATION

Policies of United States and British Governments, Dominant Factors in Wool Price Situation

Sales of domestic wool by the Commodity Credit Corporation totaled only 48 million pounds in the first 4 months of 1944, although mills consumed a total of 344 million pounds of apparel wool (grease basis) during this period. Because of the price differential between domestic and foreign wools there has been little demand for domestic wool except when it was needed for Army orders Fine Australian wools are available at Boston at prices which are about 22 cents a pound (scoured basis) below prices of fine domestic wool converted to a strictly comparable quality basis. This includes an actual difference of 13 cents and also an allowance of about 9 cents (as estimated by the Tariff Commission) to put fine territory domestic wool on approximately a comparable quality basis with fine Australian wool. The differentials on other grades also are wide. Prices of imported wool at present are determined to a large extent by the selling prices of the British Government which is marketing the entire production of Australia, New Zealand and the Union of South Africa. Selling prices at the auction sales of Defense Supplies Corporation wool at Boston also are a factor but as the DSC is basing its minimum or upset prices on the current British issue price plus freight and handling costs, these sales have not materially changed the price situation for imported wools.

Large stocks of privately owned wool are available in South America. With adequate shipping space the offering of such stocks at a time when other supplies are large could seriously depress prices of South American wools in the United States. At present, however, the limited shipping space and the strong demand for medium grade wools -- the grades chiefly imported from South America -- have tended to keep United States prices of imported South American wools in line with prices of British controlled wools. The policies of the United States and British Governments with respect to prices probably will continue to be the dominant factors in the wool price situation for at least the next few months, especially if the war continues and ocean shipping from South America remains scarce.

Mid-May Farm Price of Wool 71 Percent Above Pre-war Average

With practically all domestic wool now being purchased by the CCC and resold to mills at ceiling prices there is little opportunity for changes in market or farm prices of such wool aside from variations which reflect differences in grades or quality and point of origin. The CCC is paying ceiling prices for all wool purchased. These prices include transportation and appraisal and handling charges which are deducted in determining the net price to growers. Maximum charges which may be deducted by dealers have been specified for all types of services in the CCC agreement with handlers.

The average price received by farmers for wool on May 15 was 40.6 cents a pound, compared with 42.2 cents a year earlier. The mid-May price was about 71 percent higher than the 1935-39 average price. Farm product prices as a whole in mid-May averaged 81 percent above the 1935-39 average. In September 1939, at the beginning of the war, farm prices of wool were somewhat higher in relation to the 1935-39 average price than were farm product prices as a whole. Furthermore, wool prices increased much more rapidly than the general average of farm prices in the early war years, but have increased relatively little since 1942. The average farm price of wool for 1941 was 47 percent above the 1935-39 average compared with an increase of only 15 percent in the index for all farm products. In February 1942 dollars and cents price ceilings were established for wool and price increases were relatively small in 1942 and 1943. Prices received for farm products as a whole continued to increase rapidly and since January 1943 they have been higher than wool prices in relation to the 1935-39 average.

Table 6.- Prices received by farners for wool and for all farm products 1939-44

Index numbers: 1935-39 = 100

Year and month	Wool	All farm products
1939	96	88
1940	119	93
1941	147	115
1942	166	148
1943	173	179
1944		
Jan.	169	182
Feb.	166	182
Mar.	164	182
Apr.	167	182
May	171	181

Privately Owned Stocks of Domestic Wool Small, Stocks of Foreign Wool in United States Large

Privately owned stocks of apparel wool held by dealers and mills on April 1, 1944 -- the approximate beginning of the domestic clip year -- totaled 287 million pounds grease basis, compared with 258 million pounds at the beginning of the 1943 season. Privately owned stocks of domestic wool totaled 77 million pounds on April 1, 1944, and 123 million pounds 12 months earlier. Manufacturers held 49 million pounds and dealers owned only 28 million pounds of domestic wool. On March 27, 1943 manufacturers held 84 million pounds of domestic wool. With the shift to consumption of foreign wool in the latter part of 1943 mills reduced their inventories of domestic wool and have since been buying such wools only for immediate requirements. Privately owned stocks of foreign wool in the United States on April 1 totaled 210 million pounds compared with 135 million pounds a year earlier. Inventories of foregin wool have been maintained at a high level since the latter part of 1943 in keeping with the high rate of consumption of this wool.

In relation to annual wool consumption, the privately owned April 1, 1944 stocks were about equal to the average relationship for the war years (1940-43) but were smaller relatively than the April pre-war average (1935-39). April 1 privately owned stocks of apparel wool averaged about 26 percent of annual mill consumption of such wool from 1940-43 compared with a pre-war average (1935-39) of 39 percent.

In addition to the privately owned stocks the Commodity Credit Corporation held 161 million pounds of grease wool and 15 million pounds of scoured wool -- all domestic -- and the Defense Supplies Corporation held approximately 250 million pounds of foreign wool on April 1, 1944. All of the CCC stocks are available for purchase by mills. The stockpile wool held by the DSC is not available for unlimited purchase but is being offered in limited quantities at semi-monthly auction sales in Boston.

68 Percent of Stockpile Offerings Sold at First Eight Series

From February 17 when the sales began, through June 1, eight series of auctions were held at Boston for the disposal of DSC stockpile wools. About 123 million pounds (actual weight) were offered and 84 million pounds were sold. Demand was strong for South American wools which were chiefly medium grades and all of such offerings have been sold -- largely at the first offering. Limited shipping facilities for importing South American wools, the small proportion of medium grade wools available in DSC stocks and from British Empire sources, and the relatively large use of medium grades of wool by United States mills in 1944 probably account for the strong demand. About 65 percent of the Australian wools offered at the 8 series were sold. The smaller clearance of Australian wools was attributed by the trade in part to the fact that the offerings included a considerable amount of burry wools and of grades and types which are not being used in large quantity at the present time.

Table 7.- Foreign wools offered and sold at Boston by the Defense Supplies Corporation to June 1, 1944

Date of sale	Quantity offered				Quantity sold			
	Australian		South American	Total	Australian		South American	Total
	Greasy	Scoured and carbonized			Greasy	Scoured and carbonized		
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Feb. 17-18 ...	22,469	2,312	4,507	29,288	15,921	1,251	4,258	21,430
Mar. 9........	5,330	2,064	4,324	11,718	3,914	1,021	4,221	9,156
Mar. 23	7,734	971	3,825	12,530	4,965	232	3,506	8,703
Apr. 6	9,182	831	3,398	13,411	5,357	394	3,188	8,939
Apr. 21	11,074	907	2,986	14,967	7,745	907	2,986	11,638
May 4	12,172	---	1,038	13,210	6,890	---	931	7,821
May 18	12,428	878	---	13,306	8,337	623	---	8,960
June 1	13,231	1,300	107	14,638	7,431	511	107	7,942
Total 8 sales	93,620	9,263	20,185	123,068	60,560	4,939	19,090	84,589
rcentage of offerings sold					Percent	Percent	Percent	Percent
					65	53	95	69

Table 8.- Stocks of apparel and carpet wool held by dealers and manufacturers, grease basis, United States 1937-44 1/

Year and date	Apparel wool					Carpet wool
	Domestic		Foreign		Total	
	Dealers	Manufacturers 2/	Dealers	Manufacturers 2/		
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
1937						
Mar. 27	34,873	81,488	21,059	56,526	193,946	45,167
1938						
Mar. 26	117,226	63,396	12,770	20,740	214,132	49,521
1939						
Apr. 1	68,554	64,345	18,545	21,219	172,663	37,637
1940						
Mar. 30	40,392	58,017	23,121	45,497	167,027	57,572
1941						
Mar. 29	26,161	60,986	30,722	81,447	199,318	52,514
1942						
Apr. 4	52,239	88,712	3/ 64,529	3/ 209,909	3/ 415,389	4/
By quarters						
1943						
Mar. 27	38,674	83,920	31,802	102,902	257,298	66,358
June 26	215,955	103,579	39,044	154,473	513,051	53,308
Sept. 25	5/ 208,864	92,152	71,969	170,574	543,559	48,309
1944						
Jan. 1	5/ 223,459	61,063	77,391	128,255	490,168	42,045
Apr. 1	5/ 212,479	48,697	66,962	142,972	471,110	40,138

1/ Includes domestic wool held by the Commodity Credit Corporation but excludes foreign wool held by the Defense Supplies Corporation.
2/ Includes Topmakers.
3/ Includes carpet wool which was not separately reported.
4/ Included with apparel wool.
5/ Includes stocks owned by the Commodity Credit Corporation.

High Rate of Wool Consumption Indicated for Second Half of 1944

Mill consumption of apparel wool averaged 11.73 million pounds a week (scoured basis) in April compared with 11.86 million pounds in March. The April rate of consumption was about equal to that of April 1943. Consumption in the first 4 months of 1944 was at an annual rate of 610 million pounds on a scoured basis, only 2 percent smaller than in the corresponding period of 1943 and larger than the 592 million total for the entire year 1943. Only 24 percent of the apparel wool consumed from January through April this year was domestic wool, compared with 43 percent in the same months last year. This change largely reflects the change in the proportion of military fabrics in the total fabric production. Production of military fabrics in 101 mills reporting to the National Association of Wool Manufacturers reached a high of 65 percent of apparel fabrics finished by those mills in November 1942. Since that time the percentage has dropped steadily, reaching a low of 25 percent for the first 2 months of 1944, the latest period for which data are available, compared with 61 percent in the first 4 months of 1943.

Consumption of apparel wool was at a record high level in the first quarter of 1943 and then trended sharply downward through December, due largely to the decline in production of military fabrics which was not fully compensated by the increase in production of civilian fabrics. Production of military fabrics leveled off during the first 4 months of 1944 and the continued increase in the production of civilian fabrics resulted in a considerable increase in wool consumption early in 1944. If military requirements continue at or above the January-April level through the remainder of the year, as now appears likely if the war continues, prospects appear favorable for maintaining the current high rate of mill consumption during the second half of 1944, provided labor requirements can be met at the various processing levels.

The principal difficulty in maintaining or increasing the output of wool manufactures at present appears to center in the production of tops and worsted yarns. Data on machinery activity indicate that all types of worsted combs operated at an average of close to 90 hours a week per comb in operation during the first 4 months of this year. French combs operated at an average of 105 hours a week. Working hours in the combing section apparently are higher than in other sections of the woolen and worsted industry. At the peak of activity in December 1941 the average for all worsted combs was 104 hours per week. The difficulty of maintaining a labor force equal to that of the earlier period probably accounts in part for the lower level of operation at present. Topmakers are reported sold up for several months ahead. Worsted spindles operated at an average of 67 hours per week in the first 4 months of the year whereas woolen spindles operated on an average 84 hours per week. The difficulty of obtaining top deliveries may be a factor in the relatively low activity of worsted spindles. Because of the urgent need for worsted yarns for new military orders the War Production Board has requested spinners to allocate 50 percent of their production of worsted weaving yarns during the next several months to fill rated orders.

Details Issued on Army Requirements For Worsted Fabrics

Details were issued early in June on the Army procurement program for worsted cloth to be delivered in the last 4 months of this year. The items required are 7.6 million yards of 18 oz. serge for Army use; 2.5 million yards of serge for War-Aid; 0.9 million yards of 18 oz. elastique cloth; and 3.5 million yards of 10.5 oz. flannel. Offers of the flannel which requires wool not below 60s grade must be for all domestic wool. For the serge, which requires wool grading 62s-64s, offers will be considered for all domestic wool or 75 percent domestic and 25 percent foreign; and for the elastique which requires grade 64s or finer the wool may be all domestic, all foreign or a 50-50 combination of domestic and foreign. So far as possible, preference will be given to mills using all domestic wool. Additional orders for several knitted items were also announced during the last month.

Livestock: Marketings and slaughter statistics, by species, May 1944, with comparisons

Item	Unit	Jan.-Apr.			1943	1944	
		1942	1943	1944	May	Apr.	May
Cattle and calves -							
Number slaughtered under Federal inspection;							
Steers	Thous.	2,035	1,872	2,230	459	548	
Cows and heifers	"	1,662	1,513	1,800	291	349	
All cattle	"	3,833	3,500	4,179	774	939	989
Percentage cows and heifers are of total cattle	Pct.	43.4	43.2	44.8	37.6	37.2	
Calves	Thous.	1,825	1,446	2,029	328	555	541
Average live weight:							
Cattle	Lb.	975	978	976	987	972	
Calves	"	182	171	170	165	167	
Total dressed weight:							
Cattle	Mil. lb.	2,043	1,876	2,181	429	495	
Calves	"	187	138	191	31	52	
Shipments of feeder cattle and calves to eight Corn Belt States 1/	Thous.	459	468	320	99	84	74
Hogs -							
Number slaughtered under Federal inspection	"	18,053	18,890	28,674	5,557	6,299	6,645
Average live weight	Lb.	236	253	245	256	240	
Percentage packing sows are of all purchases at seven markets	Pct.	5	6	6	6	5	6
Total production under Federal inspection:							
Pork	Mil. lb.	2,408	2,806	3,938	771	837	
Lard 2/	"	591	585	996	178	222	
Average yield per hog:							
Pork	Lb.	133.7	148.9	137.6	144.3	133.4	
Lard 2/	"	32.8	31.1	34.8	33.2	35.4	
Storage stocks end of month:							
Pork	Mil. lb.	---	---	---	520	785	3/771
Lard 2/	"	---	---	---	166	498	3/490
Sheep and Lambs -							
Number slaughtered under Federal inspection	Thous.	6,256	6,176	6,350	1,622	1,378	1,694
Average live weight	Lb.	95	94	94	92	94	
Total dressed weight	Mil. lb.	272	264	271	70	59	
Shipments of feeder lambs to eight Corn Belt States 1/	Thous.	502	729	386	194	66	118
Total dressed weight of livestock slaughtered under Federal inspection	Mil. lb.	5,719	5,887	7,945	1,544	1,746	

1/ Total shipments direct and from public stockyards to Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, and Nebraska.

2/ Including rendered pork fat.

3/ Preliminary.

Livestock prices per 100 pounds (except where noted), by species, May 1944, with comparisons

Item	1943 annual average	May 1932-41 average	May 1942	May 1943	1944 Mar.	1944 Apr.	1944 May
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Cattle and calves -							
Beef steers sold out of first hands at Chicago:							
Choice and Prime	16.23	10.08	15.07	16.58	16.37	16.37	16.61
Good	15.34	8.95	13.65	15.59	15.23	15.33	15.73
Medium	14.01	7.92	12.33	14.31	13.59	13.84	14.47
Common	11.66	6.91	11.02	12.70	12.02	11.65	12.58
All grades	15.30	8.74	13.22	15.44	15.12	15.04	15.44
Good grade cows at Chicago	12.98	6.52	10.76	13.66	13.01	13.16	13.40
Vealers: Good and Choice at Chicago	15.18	8.38	14.92	15.47	14.55	15.00	15.15
Stocker and feeder steers at Kansas City	12.35	7.35	12.00	14.60	13.06	12.76	12.84
Average price paid by packers:							
All cattle	12.22	6.99	11.37	13.74	12.65	12.76	
Steers	1/	1/	12.48	14.80	14.33	14.46	
Calves	12.28	7.35	12.95	14.25	12.89	12.95	
Hogs -							
Average market price at Chicago:							
Barrows and gilts	14.49	1/	14.09	14.46	13.98	13.66	13.16
Sows	13.71	1/	13.79	14.26	13.55	12.74	11.01
All purchases	14.31	7.04	14.07	14.44	13.94	13.53	12.91
Average price paid by packers	14.11	6.93	13.95	14.30	13.64	13.40	
Average price No. 3 Yellow corn at Chicago 2/	104.6	66.0	85.3	106.0	3/115.5	3/115.5	3/115.5
Hog-corn price ratio at Chicago 4/	13.7	11.0	16.5	13.6	12.1	11.7	11.2
Sheep and lambs -							
Slaughter lambs, shorn Good and Choice grade at Chicago	---	8.33	13.48	14.80	---	---	15.84
Spring lambs, Good and Choice grade at Kansas City	---	9.42	14.55	15.62	---	---	15.49
Ewes, shorn, Good and choice grade at Chicago	---	---	---	7.83	---	---	6.93
Average price paid by packers for sheep and lambs	12.20	8.25	12.57	13.80	14.92	14.88	
Index retail meat prices 5/	115.0	79.3	106.9	118.9	112.3	111.8	112.0
Index income of industrial workers 6/	239	75	178	237	249	246	

1/ Not available. 2/ Cents per bushel. 3/ Represents ceiling price. 4/ Number of bushels of corn equivalent in value to 100 pounds of live hogs. 5/ Bureau of Labor Statistics, converted to 1924-29 base. 6/ Bureau of Agricultural Economics, 1924-29 = 100.

Prices per pound of wool and other textile fibers, United States, 1941-44

Item	Annual average			1943	1944		
	1941	1942	1943	May	Mar.	Apr.	May
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Prices received by farmers, grease basis, 15th of month	35.5	40.1	41.6	42.2	39.0	39.7	40.6
Boston market -							
Territory - scoured basis							
64s, 70s, 80s staple combing	108.8	119.1	117.8	119.5	119.0	119.0	119.0
56s combing	91.2	102.6	104.2	104.5	104.5	104.5	104.5
Bright fleece, greasy -							
64s, 70s, 80s delaine	43.1	47.2	46.9	47.0	47.0	47.0	47.0
56s combing	46.8	51.8	54.2	54.5	54.5	54.5	54.5
Foreign wool, in bond							
Scoured basis							
Sydney 64s, 70s good combing	72.7	78.1	76.5	76.5	76.5	76.5	76.5
Cape 12 months, combing	70.9	75.6	75.5	75.5	75.5	75.5	75.5
Grease basis -							
Montevideo 60-64s	40.4	43.0	41.4	41.8	40.5	39.5	39.5
Montevideo 1s (56s)	38.6	42.5	41.4	41.8	40.5	41.5	41.5
Other textile fibers:							
Cotton, 15/16-inch Middling 1/	13.9	19.3	20.6	21.1	21.1	21.0	21.0
Rayon staple fiber 2/							
Viscose 1-1/2 denier	25.0	25.0	3/24.4	3/24.5	3/24.0	25.0	25.0
Acetate 5 denier	43.0	43.0	43.0	43.0	43.0	43.0	43.0

Domestic wool prices are from the War Food Administration, foreign wool prices are from the Boston Commercial Bulletin, and are before payment of duty.

1/ Average at 10 markets.

2/ F.o.b. producing plants, Bureau of Labor Statistics.

3/ Revised.

Wool: Mill consumption in the United States, 1942-44

Item	Total		Weekly average				
			Jan.-Apr.		Apr.	Mar.	Apr.
	1942	1943	1943	1944	1943 1/	1944 1/	1944 2/
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Grease basis 3/							
Apparel wool							
Domestic	540,748	430,456	10,760	5,766	8,399	5,999	5,542
Foreign	536,536	630,968	11,032	14,486	12,498	14,529	14,640
Total	1,077,284	1,061,424	21,792	20,252	20,897	20,528	20,182
Carpet wool	60,840	43,732	927	1,127	981	1,153	1,276
Scoured basis							
Apparel wool							
Domestic	244,504	203,580	5,114	2,770	4,087	2,844	2,664
Foreign	326,976	388,284	6,816	8,957	7,709	9,019	9,061
Total	571,480	591,864	11,930	11,727	11,796	11,863	11,725
Carpet wool	43,940	32,240	677	840	722	863	956

Compiled from reports of the Bureau of the Census.

1/ 5-week period.

2/ 4-week period.

3/ Total of shorn and pulled wool. Pulled wool is in condition received from pullers and is partly washed.